

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4499-02
BILL NO.: HB 2105
SUBJECT: Department of Agriculture; Animal Shelter Grant Fund
TYPE: Original
DATE: March 31, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Animal Shelter Grant Fund*	\$0	\$0	\$0
General Revenue Fund	(\$87,384)	(\$87,865)	(\$90,096)
Total Estimated Net Effect on <u>All</u> State Funds	(\$87,384)	(\$87,865)	(\$90,096)

***Revenues and expenses of approximately \$601,000 annually net to \$0.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** assume their agency would not be fiscally impacted by the proposed legislation.

Officials from the **Office of Administration - Division of Budget and Planning** assume their agency would not be fiscally impacted by the proposed legislation. Officials noted that there could be impact on total state revenue.

Officials from the **Office of Secretary of State** assume that based on experience with other departments, the rules, regulations and forms issued by the Department of Agriculture could require as many as approximately 8 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$22.50. The estimated cost of a page in the *Code of State Regulations* is \$26.50. Therefore, the estimated costs for FY 01 are \$482.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Officials from the **Department of Agriculture** (AGR) assume the proposed legislation requires a fee of \$25 be collected for all intact dogs and cats sold at retail. AGR assumes that this “retail sale” would be the final transaction sale of the animal to the consumer and would not include any other sale transactions (e.g., breeder selling to the broker and/or the broker selling to the pet store). AGR also assumes that breeders (including purebred and hobby/show) selling directly to consumers would also be required to collect this fee.

AGR assumes this legislation does not make any reference to ACFA licensees, which means that *any* individual that sells an intact dog or cat directly to a consumer would have to collect this fee, report their sales and submit collected monies to the Department. This would certainly be difficult, if not impossible to regulate. It would be dependent upon such individuals knowing about the law and voluntarily complying with collecting and submitting the fee to the Department.

For the purpose of estimates, 1999 animal care facility records/sales counts were used (records for 2000 will not be available until license renewal process is completed later this month). A total of 12,020 dogs/cats were reported sold through licensed ACFA pet stores. The Department estimates that at least that many are also sold on a private basis—direct from the breeder to the

ASSUMPTION (continued)

consumer. Using that methodology, we can estimate that approximately 24,040 dogs/cats are “sold at retail” annually in Missouri. At \$25 each, that would amount to an annual collection of \$601,000 for the “Animal Shelter Grant Fund”. Again, this would not include the above-mentioned owner that decides to breed his animal one time and sell the puppies/kittens.

The Department estimates that two new FTE’s would be required to administer the provisions of this legislation and further assumes that these FTE’s would be paid by general revenue funds as the proposed legislation does not indicate that the “Animal Shelter Grant Fund” would support any program costs. The Department is requesting a Clerk Typist III and a Program Manager.

The Clerk Typist III would be needed to maintain records, receive/process/deposit collected fees, organize and coordinate work flow, travel schedules and arrangements and perform a variety of support functions for the Program Manager (typing, filing, reviewing applications, correspondence, telephone inquiries, reports, equipment procurement, etc.). The Program Manager would be needed to review grant applications, make recommendations about grant awards, investigate reports of violations against the law, perform periodic compliance audits of grant recipients, draft/modify regulations governing grant distribution and advise/answer inquiries about grant award (estimated travel 25%). The Department assumes that the existing ACFA Advisory Board would provide oversight review for the disbursement of grant funds.

Oversight assumes the estimated net effect on the Animal Shelter Grant Fund would be \$0 as the money would be collected and then disbursed to provide grants. Additionally, for fiscal note purposes, Oversight assumes the fees collected would remain consistent through FY 03.

Oversight has adjusted AGR’s personal service expenses to reflect a more conservative starting salary for the positions indicated. Additionally, Oversight eliminated the expenses requested by AGR for a vehicle and for vehicle maintenance. Oversight assumes, since the Program Manager position would only travel approximately 25% of the time, that the Program Manager could use his/her own vehicle and be reimbursed for mileage. Oversight has increased the travel expenses requested by AGR to reflect the mileage reimbursement.

Oversight assumes unknown revenue to any cities or counties that would be considered “local licensed animal shelters” as they would receive grants from this newly created fund.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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ANIMAL SHELTER GRANT FUND

<u>Income - Department of Agriculture</u>			
Fees collected	\$500,833	\$601,000	\$601,000

<u>Cost - Department of Agriculture</u>			
Grants Issued	<u>(\$500,833)</u>	<u>(\$601,000)</u>	<u>(\$601,000)</u>

Estimated Net Effect on			
ANIMAL SHELTER GRANT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

GENERAL REVENUE FUND

<u>Cost - Department of Agriculture</u>			
Personal Services	(\$50,280)	(\$61,844)	(\$63,390)
Fringe Benefits	(\$15,461)	(\$19,017)	(\$19,492)
Expense and Equipment	<u>(\$21,643)</u>	<u>(\$7,004)</u>	<u>(\$7,214)</u>

Estimated Net Effect on			
GENERAL REVENUE FUND	<u>(\$87,384)</u>	<u>(\$87,865)</u>	<u>(\$90,096)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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CITIES and COUNTIES

<u>Income - Cities and Counties</u>			
Grants Received	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

AGR noted that the proposed legislation could potentially impact small businesses selling dogs and cats at retail. These entities will be required to report the number of animals sold, modify record keeping to monitor spay/neuter animal sales and submit fee payments to the Department as required.

L.R. NO. 4499-02
BILL NO. HB 2105
PAGE 5 OF 5
March 31, 2000

DESCRIPTION

This proposal creates the Animal Shelter Grant Fund and the fund shall be administered by the Department of Agriculture. Any person who sells an unneutered dog or cat at retail shall charge and collect a twenty-five dollar fee. This fee is to be remitted to the Department of Agriculture and deposited in this fund. Moneys in the fund shall be used to provide grants to local licensed animal shelters for spaying and neutering programs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Administration - Division of Budget and Planning
Office of Secretary of State
Office of State Treasurer

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
March 31, 2000